Engine Summit

Virtual Prime Vendor

22 June 1999

VPV Business Approach

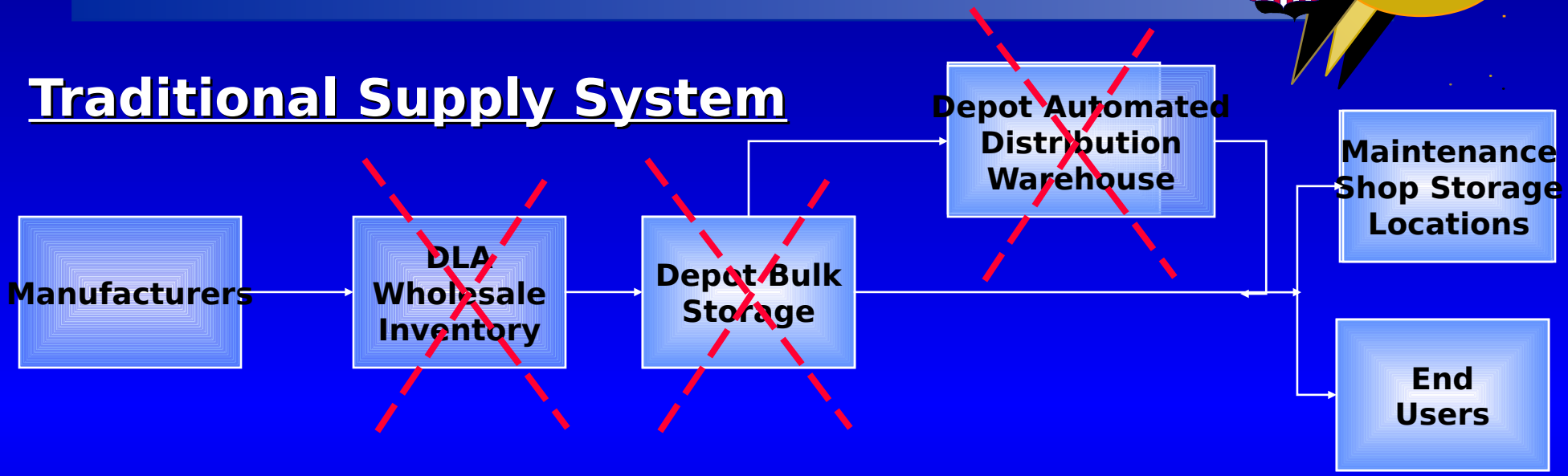
- Integration of Supply Chain for DLA Consumables.
- Focus is on Depot Maintenance Facility and Weapon System Program.
- Sharing Government/Supplier Strengths key to Shifting Support Responsibility.
- Coordinated implementation with DSCP Industrial Prime Vendor (IPV) program

VPV Key Points

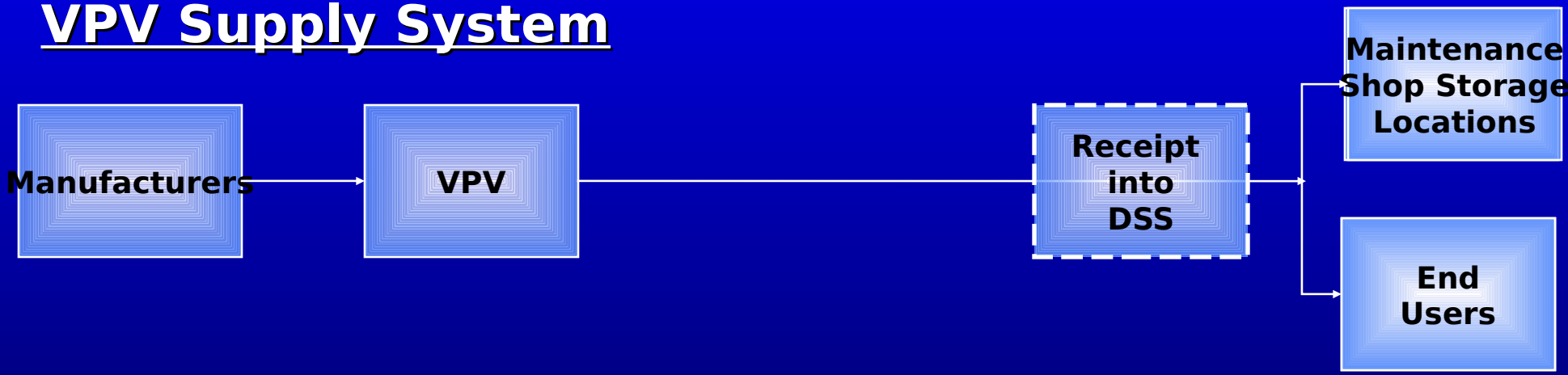
- **Delivery Performance** - On Demand Support; Expedited Processing
- **Quality** - ISO 900X Certification; Guaranteed Customer Satisfaction
- **Services** - Customer Focused; forecasting, procurement, on-site Representative
- **Program Cost Reduction** - Increase maintenance efficiencies; Reduce Cost Related to Carrying Inventory

VPV Supply System Impact

Traditional Supply System



VPV Supply System



VPV Support Process

DLA

- Service liaison
- Contract
- Performance monitoring

Customer

- Requisitions
- Requirements
- Performance feedback

VPV

- Forecasting
- Procurement - Government/ commercial material
- Storage & distribution
- Order management
- On-site liaison

Program Development

- VPV Program is partnership between Vendor, DLA and the Customer
- Technical requirements developed with close coordination of customer
- IPT w/AFMC/LG and WR-ALC
  - Firm fixed price plus award fee
- Vendor performance, program cost reductions incentivized

Complex Implementation

- Long Lead Time to Award
- System Integration of Operating Systems Contractor/Government
- Coordination with ICPs and Customers
- Incremental Implementation Process
- Business Case Analysis

Business Case Analysis

- Business Case Analysis (BCA):
  - Basis for making VPV decision
  - Baseline for measuring success
  - Tool for VPV project to project comparison
- Phase I –Rough Order of Magnitude (ROM) BCA
- Phase II - Cost and Performance baselines
- Phase III - Refined BCA
- Phase IV - BCA--Application Management Tool

Air Force/Army Platforms

- Warner Robins (WR-ALC)
  - C-5 followed by C-130/C-141
    - Projected Awd 1Q FY00
  - F-15
    - Projected Awd Mar 00
  - C-130 Prop
    - Awarded
- Oklahoma City (OK-ALC)
  - TF-33/F-100
    - BOM June 99
    - BCA - contract in progress
    - Projected Awd FY 00
  - KC-135
    - Projected Awd FY00
- Corpus Christi Army Depo
  - T-53
    - Projected Awd FY00

Navy/Marine Corps Platforms

- NADEP Jacksonville
  - J-52 & F-14 followed by EA-6B
    - Projected Awd: Nov 99
- NADEP North Island
  - F/A-18 E/F
    - Projected Awd: FY 00
- NADEP Cherry Point
  - E-2/P-3 Hub & Blade
    - Follow-on to C-130 WR-ALC
  - Engine Fuel Controls
    - Projected Awd: Nov 99
  - APUs
    - Projected Awd: Nov 99
- NADEP Cherry Point (cont.)
  - T-58/T-64 Engines
    - Projected Awd: Nov 99
  - AV-8B
    - Projected Awd: FY00

Summary

- “One Face” to service warfighters… optimized use of service, DLA, and commercial assets
- Industry refocus from weapon systems manufacturing to logistics support
- Sharing government/supplier strengths key to shifting support responsibility